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Empire-Building and the Sugar Business in the South Atlantic (1621-1654)

The most important fact in the seventeenth-century history of sugar consists in the extension of its production to the Caribbean and the direct involvement of new European powers in this business, notably France and Great Britain. Both events are interrelated, and commerce with the Caribbean plantations would become increasingly mercantilistic, in spite of the role played by Dutch “internationalist” slave and sugar trades, as described by Pieter Emmer (Emmer 1991; 1998). On the other hand, Portuguese sugar production in Brazil was checked by the Dutch rule of the South Atlantic (1624-1654), and even Sicilian production, a Genoese investment, sees its final days in the seventeenth century, according to Antonino Morreale (2006). As the power of the Spanish monarchy declined, its rivals began a race of empire-building, and sugar was directly involved.

Some works also mention a certain diffusion of sugar consumption in Europe in this period. The classic *Geschichte des Zuckers*, by Edmund von Lippmann, describes (vaguely) a process ongoing since the late sixteen hundreds by which sugar ceased to be a medicine or a luxury to appears at the commoner’s table. Sidney Mintz indicates the 1650s as the time when sugar consumption became popular in England. However, both authors recognize that the acceleration of sugar consumption among worker classes would be more important during the eighteenth and nineteenth centuries.¹ Hence, geographical expansion of the sugar cane, with its mills and slaves, and the involvement of new colonial empires in its trade are both prior to the consumption boom, so we shall focus on these events.

Geographical expansion and renewed empire-building are interrelated facts. Sugar was one of the most strategic goods in international trade between the fifteenth and eighteenth century (at least), as a lux-

¹ Lippmann (1941: 157-158); Deerr (1949); Mintz (1985); Stols (1997: 127).

ury narcotic and as an energetic foodstuff. Even during the “general crisis” of the seventeenth century, sugar never lost its dynamism and capacity to open trade routes. In order to participate in this business, political connection to sugarcane-producing colonies was mandatory (Braudel 1996, II: 162). However, until the seventeenth century, the control of sugar production rested in Portuguese hands. Madeira reached its production peak in the 1530s, with approximately 5,000 tons of sugar. São Tomé and the Canaries were the main producers in the mid-century – mainly due to Portuguese investment trying to avoid taxation from Madeira (Vieira 2006). Finally, Brazil emerged in the late 1570s as the most important sugar field – in 1614, Brazilian colonies produced approximately 10,280 metric tons of sugar.

In spite of the virtual monopoly of Portuguese colonies in sugar production, there remains the fact that the main distribution centers were in Flanders. Throughout the sixteenth century until the Dutch occupation of 1585, Antwerp was the most important sugar port in Europe, followed by Rotterdam, Hamburg and Rouen. After that, it was Amsterdam that prevailed. These were the towns where buying and selling networks were in touch. In addition, much of the Portuguese overseas expansion was financed with Flemish capital, which came to the point of owning a few of the first sugar mills in American territory. That is to say, during most of the sixteen hundreds, sugar trade was a Portuguese staple business, yet it was open to foreign enterprise and largely dependent on Flemish connections.

One may come up with a few good explanations for these events, in itself a good topic for debate. First, there are the political circumstances and demographical movements between Portugal and Flanders at the time. The drawing of sugar routes was influenced by the emigration of Portuguese merchants accused of Judaism. Inquisitorial processes, particularly up to the 1620s, did not deny the possibility of communication between emigrants and their contacts in Portugal. According to David Grant Smith, this meant that merchant sojourn in foreign lands was restricted to New Christian exiles, with whom Old-Christians from Portugal could arrange their business. That would explain the political weakness of the merchant elites and its lack of cohesion as a social group, despite the profound mercantile traits of the Portuguese Empire (Smith 1975: 161-162; Costa 2002, I: 133). Conversely, Flanders was a region of strongly decentralized politics,

inherited from its late middle-age organization and exacerbated during the sixteenth century by the wars of religion and the struggle for independence. It was a home of tolerance and cosmopolitanism, in which many of the merchant emigrants of Europe could find a liberal environment (Mechoulan 1992).

The second reason for the outwardness in the Portuguese sugar trade is the geo structure of European commerce at the time, still gravitating around the net of semi-autonomous towns along the Flanders-Northern Italy axis. During the sixteenth and seventeenth centuries, the economic dynamism of the Northern Atlantic surpassed that of the Mediterranean, and the center of that “world-economy” shifted from the Italians to the Dutch. But the net of inland commerce, with its local fairs and markets, continued to be the base of European trade (Braudel 1996, II: 64). Portugal and Spain were secondary centers, constituting in fact a “semi-periphery” in the terms of Immanuel Wallerstein, despite the Habsburg predominance in the European political theatre (Wallerstein 1974; Arrighi 1996).

The outward and cosmopolitan traits of the Portuguese sugar business began to cause trouble in the late sixteenth century. The revolt of the Seventeen Provinces against Spanish rule and the dynastic union of the Iberian Crowns put the Portuguese and the Dutch on opposite sides. The fall of Antwerp had an important effect on the sugar trade, since merchant correspondents were forced to move. But the dynamism of the European economy and the expansion of sugar production in Brazil – specifically, the “structural turnover” of the Portuguese colonial Empire, from the Indian Ocean to the Atlantic (Godinho 1971: 175)– mitigated the effects of the conflict. The volume of sugar trade continued to grow within the framework of Portuguese-Flemish cooperation, now centered at the Amsterdam market.²

At the start of the seventeenth-century, production growth in Brazil started to decelerate. By that time, Brazilian sugar production had reached a total of ten thousand tons per year. Simultaneously, a small boom occurred in the Spanish colonies. The second largest producer then was Mexico, although its output would never reach the two-thousand-ton mark until the eighteenth century. Still, the sugar mill listings elaborated by Horacio Crespo indicates that sugar investment

2 A good summary of this discussion can be found in Emmer (2003).

accelerated between 1600 and 1630.³ The island of São Tomé, at this time, was reported to load forty ships every year – even though its sugar was notoriously bad, the proximity to slave markets probably helped to sustain that plantation. There was sugar production starting also in the Caribbean. In Cuba, there are indications of a boom between 1605 and 1617, with production growing from 10 to 312 tons (the first Cuban mill was dated as of 1598). Conversely, in Hispaniola, sugar production reached a low point of 222 tons in 1608, after an early boom in the previous century. In Puerto Rico, the little production capacity previously installed was destroyed by a hurricane in 1615, but as soon as 1620 four new sugar mills were built, and three more until 1647 (Deerr 1949: 109-138). While growth in the Brazilian colonies was losing pace, the association of the Castilian Crown with Portuguese merchants (slave traders in particular) probably accounts for a small spur of sugar production in the Spanish Empire.

After 1620, political tension in the business turned into an open war. The European crisis of 1619-1622 forced bankruptcies and devaluations throughout the continent, implying the closure or diminishment of trade routes. With the end of the Twelve Year Truce between Spain and the United Provinces, followed by the escalation of war in the German countries, the Portuguese-Flemish sugar trade was caught in the crossfire. Besides the fast growth of Flemish corsair attacks on Portuguese navigation, jamming the flow of Brazilian sugar to Europe, the Habsburg embargo against the Dutch severely hindered re-exportations from Lisbon. At the same time, the Inquisition intensified its operations against New Christians, including the prohibition of the return of emigrants to Portugal. In 1622, a new system of customs inspection was created and foreign shipping was overtaxed, despite all protests from Lisbon. Many sought to conduct business in northern ports such as Oporto and Viana, where Spanish control was lighter. The Portuguese salt trade was also damaged, affecting the Dutch herring industry – the Habsburgs were trying to divert that salt to the fisheries of Galicia and the Asturias. Not even ships that sailed under a neutral flag (English or Hanseatic) managed to escape the new in-

3 See Crespo (1988). It should be stressed, however, that apparently this sugar industry is directed to Mexican *internal* demand. Mentz (1999) reminds that sugar can be a source of calories to a labor force working under near slavery conditions.

spectors of the “contraband administration”, as it was named by the Lisbon townsfolk (Costa 2002). It is estimated that one fourth of the Dutch Sephardic population moved to neutral ports, especially Hamburg and other Hansa towns, and France and Italy in smaller scale. All of the Portuguese navigation resented the consequences of the Spanish embargo against the United Provinces.

Above all, the charter of the Dutch West India Company in 1621 marks the crisis of the former structure of the Portuguese-Flemish sugar trade. It is significant that the West India Company (WIC) was not really aimed at the preservation of a stable set of commercial ties. In fact, its charter found strong resistance within Amsterdam, indicating that a clash among merchant networks had occurred. It could be viewed as a mercantilistic policy by the States-General, seeking to seize control of the sugar supply from the hands of a foreign merchant group (Costa 2002, I: 135). After all, the debate on the company’s objectives went between peaceful sugar producing in Curaçao and seizing Spanish ports in New Spain (Boxer 1957: 36). In any case, it was at least an effort to adjudicate the conflict between a traditional, cosmopolitan bourgeoisie and a new, rising, popular and nationalist one – an internal conflict that could hinder the Dutch fight against Spain. In the terms of Eddy Stols (1973: 47-50), it was “nationalization *avant la lettre*”. As a result, Portuguese sugar merchants in Amsterdam were forced to choose between joining the WIC or transferring their businesses to another city outside the United Provinces.

In Portugal, merchants were also divided. The end of the Truce, the reenactment of the embargo and the Dutch offensive on sugar and salt production in America were nothing but grim news to a vast group of merchant networks and middlemen. Nevertheless, an elite of financiers and slave traders were aligned with Madrid, especially after the *asiento* of Flanders of 1626 and the Spanish bankruptcy of 1627, when Phillip IV sought Lisbon to replace Genoese lenders – in 1630, it was said that one in four people living in Seville came from Portugal (Novinsky 1972: 42; Boyajian 1983). The first group was naturally inclined to a peace agreement with the Netherlands – much of its profits came from the trade of Brazilian sugar, Setubal salt and Baltic woods, copper and grain (Godinho 1971: 276, 283-284).

Finally, the most important effect of the Dutch-Spanish crisis to the sugar industry was the Dutch occupation of producing areas in

America. In 1624, the WIC grasped for the Portuguese foremost colony in Brazil, at the Bay of All Saints (Bahia) – it failed, nonetheless, in dominating its plantation country, and a year later the town was liberated by an Iberian armada. In the northern colony of Pernambuco, the Dutch were more successful: the invasion of 1630 met strong resistance, but after five years most of the land was under control. In time, production in “New Holand” would reach a peak of six thousand tons, effectively reinitiating competition in the supply of sugar, ceasing the long Portuguese monopoly of the sixteenth century.

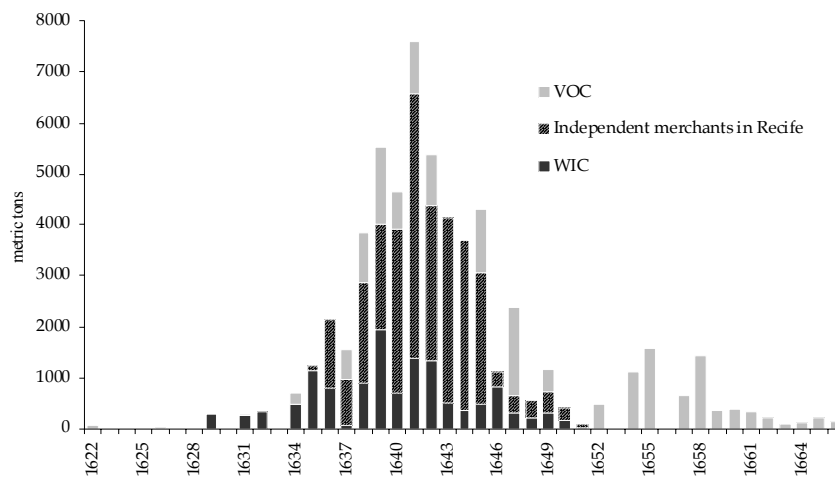
The conquest of Olinda and Recife in 1630 did not immediately grant control of the sugar-producing hinterland of Pernambuco to the WIC. The Dutch were isolated in the town and harbor, incapable of breaking local resistance. But the Iberian Crowns did not have the strength to provide another naval force against the invasion. Raids on the food-producing areas were effective in eroding the defenses. Between 1633 and 1636, all of the forts were taken, and the Portuguese started their retreat march to Bahia. By 1637, the Dutch Brazil was relatively safe from guerrilla campaigns, and the WIC started exporting its own harvests – until then, registered sugar exports refer to sugar boxes captured at the docks and warehouses during the occupation (Wätjen 1938; Boxer 1957; Mello ²1998; 1999).

The last and most destructive Portuguese campaign against Dutch plantations occurred in 1639, after a failed attack against Recife. Two Portuguese regiments (*terços*) disembarked at the extreme northeast of the coast in order to march south, back to Bahia, burning sugarcane fields and destroying mills as they went. As a retaliation, the WIC’s governor ordered the Dutch fleet to pillage and destroy sugar production in the Bahian *recôncavo*. Both sides agreed then to keep the conflict out of the sugar cane plantations, or they would destroy the very reason they were fighting for (Silva 1925: 98; Barléu 1940: 198; *Documentos* 1951, I: 14-16).

As an illustration, Figure A shows the exports of sugar from Dutch-controlled colonies, mainly Pernambuco but also Java (under supervision of the East India Company, or VOC). From Table 1, one will notice the importance of Pernambuco compared to other provinces of the Portuguese colony through a comparison of the number of sugar mills operating. However, the number of mills is not a good

indicator of production, since many can be out of operation at any give period. Moreover, there is no available data on total production or exports from Bahia or Rio de Janeiro, except for the account of sugar making in one particular mill, the *Sergipe do Conde*. Therefore, similar numbers for the Bahian production need careful estimation, by organizing data on production capacity (sugar mills construction and slave labor) and prices.

Figure A: Sugar exports from Dutch-controlled colonies



Source: Deerr (1949: 214-215); Puntoni (1999: 99).

The spread of the three-cylinder mill after the 1610s probably accounts for much of the numbers in Table 1, since that innovation not only increased productivity but also decreased the cost of construction. It is possible that the numbers for Bahia and Rio de Janeiro are underestimated. Antônio Vieira and Gaspar Dias Ferreira, two men of considerable importance at the time, wrote that there were 200 and 300 mills, respectively, under Portuguese control during the 1640s. The Municipal Council of Salvador also mentioned the existence of 300 sugar mills in the Bahian *recôncavo* alone, but that number is likely to be overstated in order to persuade the Crown to alleviate taxes in the province. In 1645, D. João IV ordered more mills to be

constructed in Brazil.⁴ However, since new mills gave tax exemptions to their owners, we should consider a bias toward mill construction without parallel growth in sugar production. In addition, many of the figures for the 1640s must be accounted by the reconstruction of incapacitated mills. Therefore, an honest estimate of the number of sugar mills operating at that time in Bahia and Rio de Janeiro can only be estimated between 200 and 250.

Table 1: Number of sugar mills in Brazil, seventeenth century

	Bahia	Pernambuco	Rio de Janeiro
1570	18	23	
1583-1585	36	66	
1610	63		14
1612	50	90	
1622		119	
1629	80	150	60
1639			110
1662	69		
1675	130		
1710	146	246	136

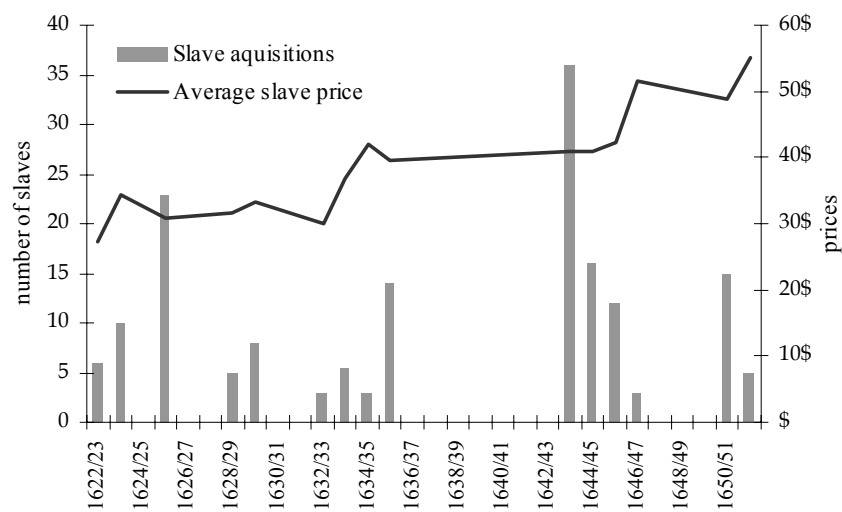
Source: Schwartz (1985: 150).

The supply of slave labor also underwent a problematic period. In 1644, a letter signed by Gaspar de Brito Freyre stated that Bahia relied on 11,000 or 12,000 slaves yearly brought from Angola. But that was before the Dutch captured Luanda in 1641, ceasing the bulk of that commerce. Reducing Native Americans to forced labor or recapturing fugitives could hardly make up for the interruption in the slave trade. There was a considerable movement of masters and slaves from Pernambuco to Bahia after the Dutch occupation, between 1635 and 1638. But that hardly included more than 4,000 slaves (Schwartz 1985: 134). Moreover, the peak of slave acquisitions by the sugar mill

⁴ See Mauro (1989, I: 255-256); Silva (1959: 179). There is record of an invention by Belquior da Costa in the minutes of the Municipal Council of 1626, but there are no other indications of its nature and adoption among producers (*Documentos* 1944-1950, I: 55).

in *Sergipe do Conde*, in 1643-1644 (Figure B), matches the year of the smallpox outbreak in Rio de Janeiro, possibly meaning that Bahia also suffered from the epidemics.

Figure B: Slave acquisition and average price, Engenho Sergipe do Conde



Source: *Anais* (1955: 485).

From Figure B, slave prices indicate two upward shocks: 40% between 1632 and 1635 and 23% between 1645 and 1647. On average, slave prices in the 1640s are 18% higher than in the 1630s. That is, slave prices had already increased considerably before the Dutch occupation of Luanda. But it is also visible that even the liberation of Angola by a Portuguese expedition in 1648 (led by colonists from Rio de Janeiro) did not halt the price hike, which therefore must have been influenced by the Dutch-Portuguese conflict as a whole, and not just by the dispute over slave markets.

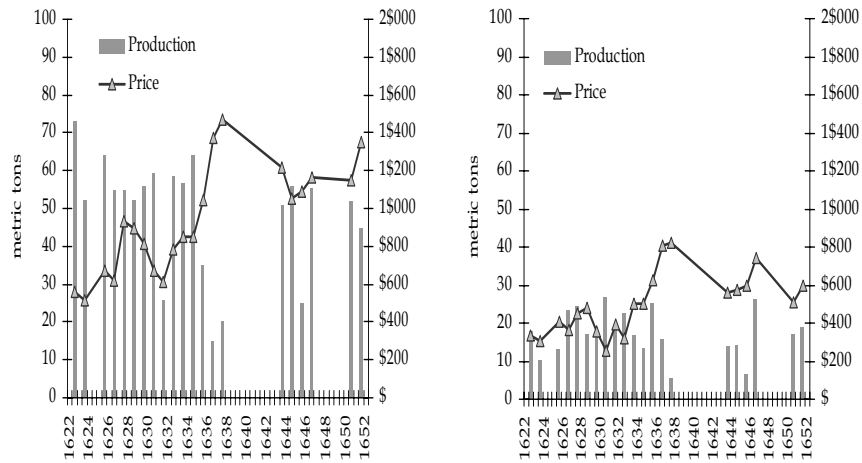
Construction of mills and slave prices are some of the most important factors behind sugar production at the time. According to Frédéric Mauro, in 1643 Rio de Janeiro alone produced somewhere between 15,000 and 17,000 tons; total exports from Brazil reached 26,000 tons in 1641, which would indicate a total production in Bahia between

9,000 and 11,000 tons. Such numbers, however, overestimate the mass of sugar per box. Considering the amount collected by the *vintena* tax (a 5% duty on production) between 1642 and 1646, keeping in mind the flexible variety of exemptions to new mills and members of religious orders, we can estimate a minimum of 6,000 tons per year produced in Bahia. Sugar production in the Portuguese colonies as a whole during the 1640s must have been somewhere between 16,000 and 22,000 tons, which already indicates that production nearly doubled since the 1610s, despite the loss of Pernambuco (the largest of the sugar colonies).

As far as sugar prices are concerned, there are records of historical floors and ceilings (in the minutes of the Municipal Council at Salvador) and of prices obtained by the mill at *Sergipe do Conde* between 1622 and 1653. Two historical low points were registered by the Council: in 1626, producers complained that prices were halved, triggering widespread insolvency and dismemberment of farms and mills. The Council then fixed prices for the arroba of white, medium, low, brown and *panela* sugar (\$750, \$700, \$600, \$360 and \$240 respectively). The same occurred in 1642, when Council negotiations set the prices of “sugar delivered by inhabitants to their debtors”; this time at 1\$000, \$900, \$800, \$550 and \$240. These prices were negotiated by a commission of two producers, two merchants and two members of the Council (Mauro 1989, I: 323). In 1646, the opposite measure was taken, and the price of an *arroba* was limited at a ceiling of 1\$600 “because it was more expensive than in Portugal”. According to David G. Smith, in 1646 the arroba of sugar in Portugal was worth some 3\$500 *réis* (Smith 1975: 342).

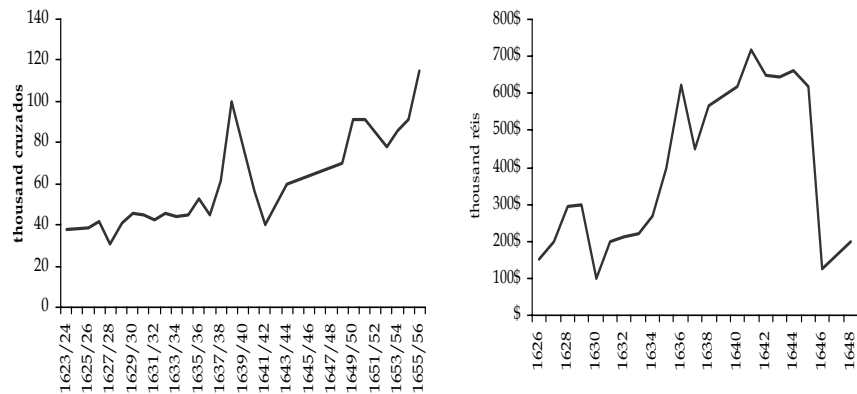
Price movements can also be reconstructed through the surviving balance sheets of the *Sergipe do Conde* mill (Figures C and D). The most striking observation is that prices hiked between the harvests of 1634-1635 and 1637-1638 – a rise in 73% for white sugar and 64% for brown, while production decreased 69 and 59% respectively. There is less data available for the decades of 1640 and 1650, but it is possible to underline that the price of sugar never returned to its levels in the 1630s.

Figures C and D: Production and prices, white and brown sugar, *Sergipe do Conde*



Source: Ferlini (1980: 229).

Figures E and F: Farming of tithes and the *verde*, Bahia



Source: Mauro (1989, I); *Documentos* (1944-1950, I-II).⁵

⁵ When using tithes collection as a proxy for price and production, one should bear in mind that it is only a very crude indication of fluctuations on the total value of sugar production, considering the vast amount of exemptions and particularities.

As Frédéric Mauro has already remarked, such price curves show a level of “parallelism” with the values for farming the collection of tithes. Here we have combined tithe contracts with the values of the *renda do verde*, a small farming of fines and weight inspection by the city of Salvador (Figures E and F).

The trend in Bahian sugar prices during the 1630s can be explained by the war in Pernambuco. With Olinda and Recife under foreign rule, exports of sugar brought through the Capiberibe and Beberibe rivers were halted; sugar prices in Bahia rose out of a ten-year low and levelled at a slightly higher ground until 1634. During the Dutch offensive of 1635, the Fort Narazé at the Cape of Saint Augustine was taken, closing another export route on the coast (for sugar produced in the southern plantations of the colony, particularly those around the rivers Serinhaém and Paraguaçu). Sugar exports from Pernambuco were compromised, and many must have resorted to the markets of Rio de Janeiro and Bahia, soaring its prices.

However, there were problems even for sugar produced in the Bahian *recôncavo*. Due to the assault of Dutch corsairs on Portuguese navigation, sugar exports from Bahia also suffered. In 1634, the Portuguese governor in Salvador desperately prohibited the crossing of sugar to Europe. Stored in the docks, without good prospects of transportation, sugar was worthless. Since the merchant fleet would only receive decent escort to cross the ocean in 1636, it is very likely that much of that merchandise went rotten. The prices of freshly made sugar were hiking, as indicated by the *Sergipe do Conde* balances. But dealers with accumulated losses (due to rotten stocks) and with a bad credit relationship were not able to profit from hiking prices. The fall of production in the *Sergipe do Conde* mill, which at this time processed only sugarcane from third parties, testifies to a crisis among planters (*lavradores*).

In 1636, the colonial government reenacted the law that protected planters and mill owners against their creditors. In order to preserve the capacity of production from market movements, the Crown had always forbidden the settlement of debts through the seizure of any means of production – slaves, boilers, boats and ox-carts – by unpaid creditors. Thus, indebted producers could remain in business (*Documentos* 1928-1955, XVI: 388-391; Pinho 1982: 276). The reenactment of that law indicates a period of striking insolvency among planters

and mill owners. In a scenario such as the 1634-1636 navigation crisis, it was crucial for producers to have a good relationship with credit sources – a friend or family member, a good connection with one of the clerical orders. Those were the ones who could not only sustain their production, but profit from the situation.

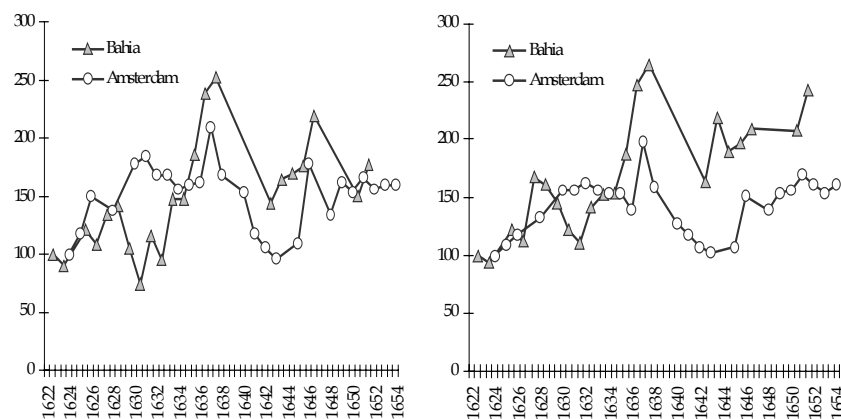
It should be noted that the 1630s turbulence in the sugar market rearranged much of the Portuguese trade with its American colonies. While the bankruptcy of the Spanish Crown had attracted the elite of Portuguese financiers to Madrid, the losses in the Atlantic navigation to Dutch piracy in 1627-1628 and 1633-1634 aggravated a shrinking of merchant capital in the sugar trade – very few were able to bear its risks. In 1630, in Lisbon, there is talk of a “lack of capital and businessmen”, and the Council requests the Crown’s authorization to admit foreign capital in the city (Costa 2002, I: 71-72). Still, during the 1630s the losses in the Atlantic were highly compensated by the “great price given for sugar”, earned by those who could manage its crossing and sustain the colonial trade. This was the fountain which irrigated a generation of new fortunes, raising merchants who would soon be able to financially support the duke of Bragança’s claim to the throne (Godinho 1971, II: 255).

The Portuguese Restoration of December 1640 had an immediate effect on the conflict. Portugal and the United Provinces signed into an anti-Spanish alliance as early as 1641, a deal which included formal recognition of the Dutch possession of Pernambuco. The conflict in Brazil had already lost intensity since 1640, and Portuguese navigation in the Atlantic was again safe from corsairs. In Salvador, sugar prices fell, probably indicating the recovery of production after the 1634-1636 slump. But it was also a reflection of the competition with sugar exported by the Dutch in Pernambuco. The Council negotiated a minimum price in 1642. At the same time, the Portuguese sugar trade with Amsterdam was reopened. Figures G and H, with index prices of sugar in Bahia and Amsterdam, provide a good image of that.

In that sense, the Restoration would be a fatal blow to the WIC, in spite of the Portuguese recognition of the “New Holand” colony. With Portugal allied to the United Provinces, much of the company’s role in fighting the Spanish was lost. Furthermore, the Dutch colony in Pernambuco had internal problems. In 1637 and 1641, with the conquests

of São Jorge da Mina and Luanda in the West African coast, the Dutch had set their foot in the slave trade, guaranteeing a labor force for its plantations. But most of the sugar-producing country was dominated by Portuguese inhabitants, through purchases and concessions. Even if most of them were on good terms with Dutch rule, the business of sugar producing required a protection against commercial mishaps. We have seen this in Bahia when the 1634-1636 navigation crisis brought pressure on sugarcane planters. But the colonial government of the Dutch WIC, being it a company with shares in the Amsterdam Exchange, could not afford such liberality.

**Figures G and H: Index numbers for sugar prices,
Bahia and Amsterdam**



Source: Ferlini (1980: 241-244).⁶

In 1643, when four thousand African slaves disembarked in Recife (four times more than in the previous years), the insolvency of sugar mill owners was already startling. Sugar prices in Amsterdam were on the fall. The Dutch governor in Recife, an intelligent count from Germany, was aware of the problem and avoided the collection of debts.

⁶ It was impossible to set a basis for indexation on prices, since sugar prices for Bahia are related to harvests (1622-1623 or 1623-1624, for example), while Amsterdam prices are yearly averages. Since the purpose of these figures is to show parallelism in price tendencies, we saw no problem in establishing 1622-1623=100 for Bahian prices and 1624=100 for Amsterdam prices.

As a result, he was losing his support from the company's board of directors in Amsterdam. A declining market price for the WIC's shares put pressure on the board, who eventually replaced the governor in 1644. After he had left to Europe, sugar producers in Pernambuco were hardly pressed by the WIC's financial problems. After a sequence of embarrassments and disputes, in 1645 the sugar mill owners revolted against Dutch rule.

With support of the new Portuguese dynasty through Bahia, the revolt quickly gained control of the country and succeeded in isolating the Dutch in Recife. As early as 1646, sugar from Pernambuco was being boarded in Portuguese ships at the Cape of Saint Augustine. In Bahia, the revolt of Pernambuco made prices rise from the early 1640s low. Prices in Amsterdam reflect the upward trend. But as the Dutch were again isolated in Recife, they could only resort to naval warfare, by preying upon the enemy's ships. Their hope was to inflict enough damage on Portuguese shipping so that the conflict would return to a stalemate. The King of Portugal would be forced to negotiate, possibly withdrawing his support to the revolt. During 1648 and 1649, with the help of a corsair company from Zeeland, the Dutch nearly closed the Atlantic for Portuguese trade.

However, the Portuguese sugar trade at this time had enough capital and political power to arrange a fleet system, which they had not been able to do in 1627. A *General Company for the Commerce of Brazil* was chartered, with the responsibility of providing naval escort to merchant ships and with a monopoly of the four most important metropolitan goods in the colony: cod, salt, wine and olive oil (Costa 2002). Although the Company's privileges caused opposition among the colonists, the fleet system succeeded in safeguarding the navigation between Portugal and Brazil. The third fleet sailing under the Company's administration was the one responsible for the final blow on the WIC hold of Recife, and the Dutch surrendered in January 1654.

With the end of the conflict, did Portuguese sugar production regain its predominance in the business? Most importantly, did the Lisbon-Amsterdam connection return to the center of sugar trade, as it was in the late sixteenth century? After all, the parallelism observed in price tendencies during the 1640s indicate the resilience of Portuguese-Flemish trade. The Spanish monarchy failed to dismantle this relationship and lost the Portuguese Crown in part because of that. It

is equally true that the Dutch West India Company also failed to hold the Portuguese sugar-producing areas under its control. Nonetheless, the sugar trade underwent a vast transformation during these thirty years, both in the sphere of production and in the sphere of distribution.

Approximately between 1630 and 1650, sugar production was attempted in the Caribbean. Slowly, it would be learned about by the British and French colonies which had established themselves during the Dutch war against Iberian rule of the New World.

In 1639, the governors of the island of St. Kitts⁷ agreed to destroy the tobacco fields and start the production of sugar. By 1643, the French side had started its production, a year before the British. However, only in the 1660s did sugar production surpass indigo in total exports. The island of Martinique was the site of a sugar-producing attempt by the *Compagnie des îles d'Amérique*, after a decision taken in 1638. The company gave 3,000 acres to a Rouen merchant, Me. Trezel, to initiate the production. Despite his personal effort and investment, Trezel met with resistance from local inhabitants and from the dense native jungle; his first sugarcane harvest was ready only in 1647. But the industry did not grow, not even after the arrival of Dutch experts in 1663. Until then, sugar was produced more as a refreshing drink than as an export good (Deerr 1949, II: 92).

Contrasting with the experiences of St. Kitts and Martinique, the sugar industry swept Barbados like a revolution. Since the occupation of the island in 1627, the island produced tobacco and cotton, mainly with contracts of indentured labor. It was a promising colony –to the windward of all the Antilles, it was out of reach for any Spanish attack from Central America. In addition, there were no hostile natives as on many of the other islands. Nevertheless, the fall of tobacco and cotton prices in Europe in the early 1640s (along with sugar prices, as we have seen) meant a crisis of export value for Barbadian goods, triggering a wave of emigration. Meanwhile, the outbreak of civil war in England led the local government to declare neutrality, and communication with the metropolis practically ceased. Therefore, the inden-

7 The small island was being shared by the British and the French since 1625.

tured labor contracts which sustained the island's economy was also halted (Green 1988; Emmer 1998).

This void in the Barbados export-import trade was filled by Dutch WIC merchants who were based at the island of Curaçao and by merchants of the English Guinea Company, which had not stopped its activities. Both these groups had a strong position in the slave trade, and so they offered the inhabitants of Barbados a complete package for the sugar industry: financing, capital goods, freights and export markets. Sugar prices in Europe were declining then, while indigo prices were on the rise. The colonists could have just as well chosen indigo instead of sugar to overcome the crisis. But their entry into trade was ultimately determined by the conditions of the slave trade.

After 1645, when the WIC was in control of two major West African outposts (São Jorge da Mina and Luanda), the revolt of sugar producers in Pernambuco left its slave trade without a market. Even after the Portuguese liberated Luanda in 1648, the WIC remained in control of slave exports from Mina. The development of a new sugar business in the Caribbean was the cornerstone which sustained the WIC after the 1650s –mainly as a supplier of slaves to new sugar plantations and mills. That was what caused the Barbadian “sugar revolution”.

Therefore, during the war the Portuguese-Flemish sugar trade was cleaved into rival merchant groups. First, there were Portuguese sugar traders in Amsterdam who fled to alternative ports. In time, Hamburg would emerge as a major refining center for Brazilian sugar. After the Restoration of 1640, sugar interests gained strong support from the Portuguese Crown, which succeeded in expelling the Dutch WIC from Brazil in 1654. On its turn, the WIC managed to survive in the business by developing a large slave-sugar market in the Caribbean, which would eventually trigger the development of French and British plantations.

Simultaneously, yet on another level of events, the decadence of Spanish preponderance in Europe paved the way for renewed expansionist struggle between states. Since Madrid was on the retreat, others sought to occupy strategic positions in the empire-building game, and colonial trade was right in the middle of it.

As far as the sugar business is concerned, this resulted in a spread of mercantilistic practices. During the 1660s, the British and the French closed their markets to colonial imports, in order to favor their

own sugar refinery industries. As a merchant from Paris would later say, “the best sugar comes from Brazil, but its trade has almost disappeared”. That accelerated the development of sugar production in the Caribbean and divided the sugar market in Europe: “in brief, there was a *partition of production*, then a *partition of refining* (an essential operation) and, finally, a *partition of the market*” (Braudel 1996, II: 164-165).

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